

Appendix A

Strengthening Rural Women's Economic Capacity Project

I. Introduction

This appendix describes the activities to be undertaken and the results to be achieved with the funds obligated under this Agreement. Nothing in this Appendix A shall be construed as amending any of the definitions, conditions, or terms of the Agreement.

II. Background

Women comprise approximately half the population of the Tillabery region of Niger, and have the potential to contribute significantly to the economic advancement of the area. They are engaged in a variety of income generating activities, such as petty trade, sale of rice, handcraft, and animal fattening. However, women face various constraints to economic participation—the most serious of which is lack of access to credit.

The Caisse Populaire d'Epargne et de Credit, Appui des Producteurs en Intrants (hereafter referred to as API) is a savings and loan institution. One of its primary goals is to increase rural women's access to credit. The demand for credit from these women far exceeds API's lending capacity. Through this project, API will target 30 member groups comprising 750 low-income rural women.

III. Funding

A. ADF Contribution



The financial plan for ADF's contribution is set forth in the Appendix A-1 of this Agreement. The Parties may make changes to the financial plan without formal amendment, if such changes are made in accordance with Article 7 of the Agreement and do not cause ADF's contribution to exceed the obligated amount specified in Article 3, Section 3.1 of the Agreement.

B. Grantee Contribution

API will contribute CFA 7,000,000 towards the credit fund.

IV. Project Goal

The project's goal is to contribute to the reduction of poverty for targeted populations in the region of Tillabéry.

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V. Project Purpose

The purpose of the project is to increase net revenue of women in 30 of API's member groups in the Region of Tillabéry. Average annual net revenue of women is expected to increase from approximately FCFA 50,000 to FCFA 125,800 by the end of the project, with the following annual targets:

Year 1 ... at least 60,000 FCFA
Year 2 ... at least 75,000 FCFA
Year 3 ... at least 100,000 FCFA
Year 4 ... at least 125,000 FCFA
Year 5 ... at least 125,800 FCFA

VI. Project Outputs

In order to attain the Project's purpose, API will acquire the following:

- A. Increased access to financial and non-financial services for women in the Tillabéry department has increased; as indicated by--
 - 270 loans allocated to 30 groups in year 1 and to 60 groups per year through the end of project.
- B. Computerized loan tracking and management system put in place and operational, as verified by--
 - preparation time for compilation of financial reports reduced from 7 days to 3 during year 1; and
 - time for preparation and loan allocation to clients reduced from 30 days to 15 days during year 2.
- C. Loan assessment tool institutionalized, resulting in--
 - quarterly assessments of the loan program; and
 - a viable tracking system aimed at achieving a 98% repayment rate for each loan/cycle.
- D. Improved financial services, as indicated by--
 - loan funds available for allocation to clients increased by FCFA 76,771,200 in year 1, and FCFA 83,000,000 starting from year 2 to the end of project ;
 - interest received by API increased by FCFA 9,000,000 in year 1 and FCFA 18,000,000 per year by end of project; and
 - loan limit per cycle per woman increased from FCFA 0 to FCFA 100,000 maximum during project.

VII. Major Activities to be Financed Under the Agreement

- A. Extension of credit. API will provide 6-month loans to enable women to undertake micro-enterprise activities. The loan program will incorporate a savings scheme. The maximum loan amount is four times the amount of personal savings.

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API will recruit three extension workers to assist the applicants in completing the credit applications. An API management team will meet the applicant for an interview to identify the category of borrower and loan (individual, EIG, credit line, etc.), verify the purpose of the request and assess risks, review the personal file of members' past or on-going loans and savings history, determine the required loan amount for the activity to be undertaken, and collect information that will allow API to assess the capability and commitment of the applicant to repay the loan. Following the completion and analysis of the loan request, the director will introduce the request to the Credit Committee, with recommendations.

During the life of this project, the annual rotation will be as follows:


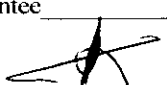
Year 1	30 loans to 30 CBOs composed of 750 members
Year 2	60 loans (two rotations) for 30 CBOs
Year 3	60 loans (two rotations) for 30 CBOs
Year 4	60 loans (two rotations) for 30 CBOs
Year 5	60 loans (two rotations) for 30 CBOs

Borrowers will pay loans in equal and consecutive monthly installments or in a single payment, depending on the nature of the activity.

B. Credit Management and Monitoring. The credit agents will monitor activities monthly and draft a loan payment report for each group for which she/he is responsible. ADF will provide funds to API for the procurement of three motorcycles, vehicular insurance and registration fees for the three credit agents. In addition, ADF will provide funds to purchase a Pentium desktop computer, a printer, and appropriate software to improve the efficiency of API's data collection and analyses, and loan operations.

C. Training

1. *Monitoring and Assessment* – The goal of this training is to enable API and the direct beneficiaries of the project to collect and analyze information and data relating to the project, and to put this information in project performance reports. The training session will include project objectives and indicators review, data collection and analyses processes, and reporting techniques. ADIDB's Evaluation Officer will deliver the training at an appropriate time agreed to by the trainees. The training will include approximately 35 participants, (e.g. including 30 group members, 3 credit agents, and 2 API staff members).
2. *Bookkeeping* - This is requisite training for all ADF funded projects, which grantees must complete successfully prior to getting their first disbursement. ADIDB's Financial Officer (FO) will provide bookkeeping training to ensure that grantees are able to account properly for ADF funds. Two members of API will participate at this training.
3. *Training in financial management* - Financial management training is intended to give group leaders the capacity to manage their financial operations. Thus, 120 persons (4 representatives for each CBO--Chair, Secretary, Cashier and 1 member) will attend the training.

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4. *Training in HIV/AIDS* - All 750 members of the 30 groups will receive training in HIV/AIDS awareness, prevention and control techniques. An experienced HIV/AIDS awareness technician will conduct the training.


D. *Provision of funds for Administrative Expenses* - API will purchase three 100 kg "Vanguard" safes to secure cash before depositing it into a commercial bank account. ADF will provide funds for one year's administrative expenses, including vehicle fuel and maintenance, salaries, office supplies, and communications. API will assume all administrative costs thereafter except bank fees, which ADF will assume throughout the life of the project.

VIII. Roles and Responsibilities

In addition to the management committee, credit committees, education and promotion committee and the surveillance committee that are responsible for the day-to-day management and oversight of the general operations, API will recruit three experienced grassroots-sensitive credit agents to ensure proper loan management. These agents will be equipped with motorcycles to facilitate their transportation from village to village where clients live. In addition to providing advisory services, the credit agents are responsible for skills transfer, especially targeting the leaders of women's groups. The partner will assist API with training as detailed in Section VII above.

IX. Monitoring and Evaluation

Within sixty days of the effective date of this Agreement, the Grantee, working with the ADF Partner (ADIDB), will form a monitoring and evaluation committee composed of a representative cross-section of the Grantee's organization. The committee will work with and provide the Partner with input to develop the Project monitoring plan. In addition, during implementation, the committee will have responsibility for ensuring that the project follows the implementation plan, and that problems identified through monitoring and evaluation are properly addressed in a timely manner.

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